

## **EXHIBIT E**

**MEMO: Celsius Hosting, Debt Facility and Equity Investment**

**Prepared by:** Nick Hughes-Jones, James Manning

**For:** Board, Senior Management

**KEY RECOMMENDATION**

Subject to finalized documents, that the Board approve:

- 1) Entry by Luna Squares LLC ("LS") into hosting co-location agreement for approximately 30,000 ASIC miners with Celsius Mining LLC.
- 2) Entry by Luna Squares LLC into a Secured Promissory Note for US\$20M with Celsius Mining LLC

**Background:** Celsius Mining LLC ("CM") is a subsidiary of Celsius Network LLC ("CN"). CN is a Cefi platform with 1.6M users, US\$20.4BN in assets, is registered with FINCEN in the USA and operates in 150+ countries. CN has paid out US\$943M in yield to its customers since inception in 2018.

CN recently raised ~US\$750M at a ~US\$3.25BN valuation, in a round led by WestCap, bringing on CDPQ (Canadian Pension Fund) as part of the round.

[ [HYPERLINK "https://www.ft.com/content/30854926-f9ca-4352-b17e-7e464b6a3a3d"](https://www.ft.com/content/30854926-f9ca-4352-b17e-7e464b6a3a3d) ]  
[ [HYPERLINK "https://www.coindesk.com/business/2021/11/25/celsius-network-series-b-expands-to-750m-at-325b-valuation/"](https://www.coindesk.com/business/2021/11/25/celsius-network-series-b-expands-to-750m-at-325b-valuation/) ]

According to CM, proceeds from the round referenced above (in conjunction with rapid capital inflows from customers) have been allocated towards expanding their Bitcoin mining operation. According to CM, they have purchased ~130,000 S19J Pro Bitcoin miners, with ~30,000 in operation at present. CM are seeking out hosting options in a market that is extremely tight.

We also understand CM intends to list on US capital markets near-term. We believe they are eagerly trying to lock in hosting for the miners they have purchased.

**Proposal 1:** That LS enter into a hosting contract with CM for ~ 30,000 S19J Pro or equivalent miner, representing approximately 100MW. It is envisaged CM miners would be hosted at the PA facilities.

**Proposal 2:** That LS issue to CM a Secured Promissory Note for US\$20M.

**Timeline for completion:** It is expected the hosting contract and Promissory Note would be completed simultaneously week beginning 21<sup>st</sup> February, with the equity placement to complete shortly thereafter, subject to documentation.

**Market Disclosures/  
Reporting obligations:**

Given the size of the hosting contract (by MW and revenue/EBIT), it is expected this **WOULD** be a material contract, and would need to be disclosed via 8K.

Given the size of the Promissory Note, it is expected this **WOULD NOT** need to be disclosed via 8K (consistent with the debt entered into with Marshall).

**Proposal 1:**

The hosting agreement is for ~100MW, for a term of 1 years, at a rate of \$56/MW. 8760 hours x \$15/MW margin x 100 MW = ~US\$13M in EBIT per annum. The CAPEX expected to stand up a 100MW hosting facility is ~US\$200,000/MW, or US\$20M. The returns are therefore expected to be very good.

**Proposal 2:**

The Secured Promissory Note has the following terms: US\$20M, interest rate of 12% per annum (360 day year, calculated daily), quarterly interest only payments, full repayment in March, 2024 and the borrower is Luna Squares LLC. Security is assets of Luna Squares LLC

Annual interest is expected to be ~US\$2.4M (US\$20M x 0.12). Based on the expected returns from the hosting contract, the interest payments are very comfortable. Indeed, the entire facility could be repaid from the returns of the hosting contract in under 2 years.

**Expected market/investor reaction:**

Expected to be very positive. A large scale hosting customer, coupled with a debt facility (which will alleviate any balance sheet concerns) will be welcomed by the market. It is expected that liquidity will increase as many additional eyeballs on MIGI will occur post the conclusion of these transactions.

**Conclusion:**

Recommended to enter into proposals 1, 2.

**Documents:**

Hosting agreement, promissory note agreement